



# LUIS G. FORTUÑO

RESIDENT COMMISSIONER'S OFFICE NEWSLETTER



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Fortuño deplors loss of "Reading First" funds

PRDE to return more than \$35 million dollars in federal funds

Committed Fortuño with the improvement of services given to students with special needs

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One of Resident Commissioner Fortuño's legislative initiatives during the 110th Congress to stimulate economic development in Puerto Rico is (H.R. 1340), a bill that establishes Enterprise Zones at the national level and in the territories, in areas whose economic growth has fallen behind. This bill, which was introduced on May 6, aims to attract and retain

additional investment from the private sector into these zones, to revitalize the communities that need it the most. The criteria to be eligible for the benefits of Fortuño's bill are: encompassing more than 50,000 residents and registering rates of poverty and unemployment at least twice the national averages.

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## FROM WASHINGTON, D.C. : Commitment and Results

Once again, I address you to keep you informed on the most recent events in Washington and my current and future efforts in the 110th Congress to benefit all Puerto Ricans.

We live through tough times. Still, big challenges mean greater opportunities. My commitment to you remains steady: I will continue to fight without rest to improve the quality of life of all Puerto Ricans, to promote economic development, to seek tax relief for our people; to find better opportunities for our children and youth; and to ensure that our needy, our seniors, single mothers, people with handicaps enjoy the same benefits as their fellow citizens in the 50 states. I will tirelessly defend optimum quality health care for everyone, instead of a few; our children's right to receive a first rate education that prepares them to succeed in life; and services for our veterans, so they receive the recognition they deserve for their dignified and brave service to the Nation. In other words, with God's help, I will continue to battle to make possible the Puerto Rico that we all hope for and want as heritage for our children and grandchildren.

**"With God's help, I will continue to battle to make possible the Puerto Rico that we all hope for and want as heritage for our children and grandchildren."**

## INFONOTES



## Puerto Rican quarter close to becoming a reality

The U.S. House of Representatives passed a bill (HR 392), co-authored by Resident Commissioner Fortuño, that authorizes the U.S. Treasury Department to issue a 25 cent coin representative of Puerto Rico and the other U.S. territories in 2009.

Since 1999, the U.S. Treasury Department's commemorative coin program has been issuing coins that pay tribute to each of the 50 states in the order in which they joined the Union.

"I feel very satisfied with the possibility of having this bill become law, as it highlights the contributions that the American citizens who live in Puerto Rico and other territories have made to our Nation", stated the Commissioner.



## Together Ricky Martin and Luis Fortuño against human trafficking

The Puerto Rican singer and performer Ricky Martin joined Resident Commissioner Fortuño to testify before the U.S. House International Relations Committee to raise awareness on the exploitation and trafficking of human beings, especially children. Ricky Martin testified as president of the Ricky Martin Foundation and UNICEF good faith ambassador.

Fortuño and Martin pointed out that there are around 2 million victims of slavery around the world. Human trafficking and exploitation is one of the greatest human rights abuses of the 21st century.



Fortuño co-chairs the most recent hearings on Puerto Rico's political status together with the U.S. House Insular Affairs Subcommittee's Chair, Congresswoman Donna Christensen (Virgin Islands).

## The President endorses Fortuño-Serrano bill on Puerto Rico's status

### U.S. House Insular Affairs Subcommittee holds two public hearings

The President officially announced its endorsement of the Puerto Rican political status bill (H.R. 900) introduced by Resident Commissioner Fortuño, Congressman José Serrano (New York) and about another 100 congress members. The announcement was made during a public hearing held by the U.S. House Insular Affairs Subcommittee last April 25, as part of the testimony presented by Co-Chair of the President's Task Force on Puerto Rico's Political Status Kevin Marshall.

This was the second hearing held on Puerto Rico's status by the Subcommittee since Fortuño became its ranking minority leader at the beginning of the year, and the fourth one held by the U.S. Congress in the last eleven months.

White House support comes about at a critical point in the legislative process, when the House Committee on Resources and House in full session might be voting to approve the bill as soon as next June.

In addition, the President's endorsement confirmed what past Washington administrations – from both parties – have said over and over again: the only status options that are truly decolonizing and permanent are statehood, independence, and free association.

"In clear contrast with four years of total inactivity on the issue of Puerto Rico's political status by the Calderón-Acevedo administration, we have convinced both Congress and the White House to resume a serious discussion on the topic. All the obstacles notwithstanding, including misinformation and the colonial status advocates' lavish lobbying, I am confident that we are closer than ever to establishing a direction for a process that leads us to solve, once and for all, the century-long issue of our colonial status", the Commissioner declared.

"We have to get local relief for industries and native companies so that they are able to compete in the global market and can, thus, create job opportunities for our people"



Fortuño along with Congressman John Boehner (Ohio), Congress Minority Leader, during a recent visit to a Pfizer plant in Caguas.

The companies that establish and maintain operations in these Enterprise Zones will get a 12% federal tax rate on the income they generate in those zones, and they will benefit of the other tax benefits available under U.S. Tax Code, such as the deduction of dividends paid by a corporation to its parent company, under Section 243.

Due to Puerto Rico's lagging economic condition, practically the whole Island would qualify under the eligibility criteria of the bill once it became law.

Fortuño also submitted (H.R. 763), a bill to make permanent the tax rate reduction on companies that hold manufacturing operations in Puerto Rico, which he achieved during the last Congress. This way, the Commissioner aims to correct, permanently, the exclusion of the Island from the American Jobs Creation Act of 2004, the benefits of which were aimed at nurturing economic development and creating manufacturing jobs in the 50 states, but which did not apply to Puerto Rico.

These legislative initiatives are driven by Fortuño's commitment to creating new jobs and protecting the ones we have, and to energizing Puerto Rico's economic activity. "We have to get local relief for industries and native companies so that they are able to compete in the global market and can, thus, create job opportunities for our people", explained the Resident Commissioner.

## More than \$150 million for water infrastructure

The Resident Commissioner, Luis Fortuño, achieved the inclusion of \$35 million for water infrastructure projects and sewer systems in Puerto Rico as part of the reauthorization of the "Water Resources Development Act of 2007", which was approved on of the House of Representatives last April. Currently, this project is being debated in the Federal Senate. The legislation includes besides the authorization of \$130 million for the dredged of the Pipe Martin Rock and authorizes a study to evaluate the viability of the Reserve of Río Valenciano in Juncos, Puerto Rico.

# Ambitious Congressional Agenda

The Congressional change of guard – with a Democratic Party majority both in both federal chambers, the House of Representatives and the Senate, after more than a decade of Republican control – implies big challenges as well as big opportunities.

So far this year, Resident Commissioner Fortuño has introduced 17 bills and co-authored around 70. Counted among his legislative priorities for the 110th Congress are expanding the impact of the earned income tax credit to cover 793,000 families in Puerto Rico and the establishment of business zones as a tool to nurture economic development in the Island. Fortuño has also actively supported extending to Puerto Rico the federal minimum wage, equal treatment for the Island regarding the SCHIP federal program, which aims to serve the health needs of underprivileged children, and passing legislation that provides an economic incentive for bilingual skills to federal employees who master two languages.

As part of the U.S. House Education Committee, the Resident Commissioner is currently working hard to get Congress to pass important legislative measures. Among these, the reauthorization of the No Child Left Behind Act, the Agriculture Bill – which assigns around \$1.8 billion annually to the Island's nutritional assistance program and other incentives for farmers, and the Water Resources Development Act, the House version of which includes \$35 million for the water and sewer system infrastructure throughout the Island, \$4 million for improvements to water plants and \$130 million for the dredging and restoration of the Caño Martín Peña.

Fortuño counts among his priorities the construction of a new VA. hospital and a health clinic for veterans on the grounds of the former Roosevelt Roads naval base, as well as passing three projects he wrote that would guarantee equal treatment for Puerto Rico regarding Medicare and raise the maximum amount of federal grants under the Medicaid for the Island.



**The Resident Commissioner swears to his charge as member of the 110th Congress before the new House of Representatives Speaker Nancy Pelosi (California).**

**Fortuño has also actively supported extending to Puerto Rico the federal minimum wage, equal treatment for the Island regarding the SCHIP federal program, which aims to serve the health needs of underprivileged children**

# Fortuño champions San Gerónimo Fort restoration

Resident Commissioner Fortuño submitted legislation in Congress (HR 1545), to explore the possibility of having the U.S. National Park Service take charge of the restoration and conservation of some historic structures in Puerto Rico that, under the local government's supervision, show an advanced stage of deterioration.

The San Jerónimo Fort has been the responsibility of the Puerto Rican Culture Institute during the past fifty years, but it betrays a pronounced deterioration that the government agency has not stemmed due to lack of funds. By contrast, the San Felipe del Morro and San Cristóbal forts, which are under the administration of the U.S. National Park Service, are in enviable conditions. The Resident Commissioner's initiative has the endorsement of the State Historic Preservation Office and other groups of concerned citizens who advocate for the protection of our historical heritage.



**Resident Commissioner Fortuño and Congressman Don Young (Alaska) visiting the San Jerónimo Fort to investigate the current conditions of the historic colonial structure.**

# The President makes it official: the name is El Yunque

At the request of Resident Commissioner Fortuño, President George W. Bush signed last April 2nd an Executive Order officially replacing "Caribbean National Forest" with "El Yunque National Forest" as the name of the our rainforest. Fortuño – who pursued the name change since his arrival in Congress – has become one of the greatest advocates for the preservation and conservation of the only tropical rainforest in the United States.

El Yunque is how the taínos, native to Puerto Rico and the Caribbean, used to refer to the "forest of clouds", where, according to their beliefs, the god Yúkiyu lived.

As part of his agenda to preserve and protect El Yunque, the Resident Commissioner convinced his fellow members of the House to pass a bill he wrote that designates a third of the El Yunque rainforest as Wildlife Refuge, which guarantees that its land will be kept in its natural state for the enjoyment of future generations. In addition, he has also submitted legislation (HR 671), to protect the buffer zones surrounding the rainforest.

EARN INCOME  
TAX CREDIT (EITC)

\$15,000	Adjusted individual or couple income
3,150	Minus deductions
6,200	Minus personal exemptions
=	Equals
\$5,650	Taxable income
\$ 505	Tax Responsibility in PR

\$4,536 EITC | IRS Refund

\$20,000	Adjusted individual or couple income
3,150	Minus deductions
6,200	Minus personal exemptions
=	Equals
\$10,650	Taxable income
\$ 1,005	Tax Responsibility in PR

\$ 3,859 EITC | IRS Refund

\$25,000	Adjusted individual or couple income
3,150	Minus deductions
6,200	Minus personal exemptions
=	Equals
\$15,650	Taxable income
\$ 1,505	Tax Responsibility in PR

\$ 2,806 EITC | IRS Refund

\$30,000	Adjusted individual or couple income
3,150	Minus deductions
6,200	Minus personal exemptions
=	Equals
\$20,650	Taxable income
\$ 2,187	Tax Responsibility in PR

\$ 1,753 EITC | IRS Refund

\$35,000	Adjusted individual or couple income
3,150	Minus deductions
6,200	Minus personal exemptions
=	Equals
\$25,650	Taxable income
\$ 2,937	Tax Responsibility in PR

\$ 700 EITC | IRS Refund

Fortuño introduces legislation granting tax relief to  
over 793,000\* Puerto Rican families

The credit would be available to families in Puerto Rico with incomes of \$40,000 or less, and the amount of the return will depend on the family income and the number of dependent children.

Considering the Puerto Rican economy's poor state, Resident Commissioner Fortuño set economic development and job creation as one of his priorities in Washington since he began serving in January 2005.

Shortly after the inauguration of the 110th Congress last January Fortuño introduced (HR 1339), a bill to energize the Puerto Rican economy and provide economic relief to low and moderate income families who work and pay taxes, but have difficulty facing the rise in the cost of living due to, among others, increases in basic services, such as electricity, water, public transportation and highway tolls. Local economists say that while Puerto Rico's cost of living has increased between 15 and 20 percent, salaries have not matched those increases, which means that families' budget imbalances have deteriorated dramatically.

The Resident Commissioner's bill, introduced last March 6th, tries to soften the hard situation for Puerto Rican families by extending the EITC benefit, currently available in all 50 states and the District of Columbia, to Puerto Rico.

EITC was created in the states in 1975 as a way to alleviate the tax burden of low income working families. It expanded gradually over the years and in 1987 it was adjusted to account for inflation. In 1993, Congress widened the EITC's reach in an effort to raise working families income above the line of poverty. Even families

that do not have to pay federal income taxes are eligible to receive the credit through a check sent directly to them by the IRS as long as they are working families.

In general, to be eligible for the EITC, you have to be a working person and file a joint federal income tax form if married. The credit would be available to families in Puerto Rico with incomes of \$40,000 or less, and the amount of the return will depend on the family income and the number of dependent children. Thus, for example, an average family of two children would qualify for a \$4,536 credit if it earns \$15,000; \$2,806 if it's \$25,000; \$1,753 if it's \$30,000; and \$700 if it's \$35,000.

This program was set to ease poverty, help families transition out of social welfare programs, and encourage participation in the work force. This mechanism for helping working families was also recommended by the Brookings Institution and the Puerto Rico-based Center for the New Economy as "ideal" to stimulate the Puerto Rican economy. Fortuño's bill aims to have the federal government supply the funds for the EITC given that the deficit the local government has accumulated through high spending during the last five years make it hard for such a significant relief to be considered at the local level. The bill proposes a scaled implementation of the EITC over the next five years, which improves its chances of approval in Congress.



## Official Welcome

As Chair of the Congressional Friends of Spain Caucus, Resident Commissioner Luis Fortuño presided over the official welcome to His Royal Highness Prince Felipe de Borbón y Grecia on behalf of the United States Government, during the latter's recent visit to Washington, D.C. The Resident Commissioner has used his post to nurture the ties between the United States and Spain, and to promote Spaniard investment in Puerto Rico.

\* Data based on Puerto Rican families with income of 40,000 or less. Bureau of the Census. Census 2000.



## Fortuño brings Puerto Rico's Department of Education's lackluster performance to congressional attention

**PRDE forced to return 35 million dollars of federal funds because of their inability to comply with NCLB parameters**

Enacted five years ago, the No Child Left Behind (NCLB) legislation – designed to hold schools, teachers, and students accountable to stricter educational performance standards – is set for reauthorization later this year. Unfortunately, the Puerto Rico Department of Education (PRDE) has not succeeded in implementing the law in a way that would ensure that our schoolchildren would benefit from it as intended. Resident Commissioner Fortuño has made it his priority to work with the U.S. Department of Education to make sure our children are not left behind and that they are able to fully benefit from the programs

established through NCLB.

Fortuño is working with the U.S. Department of Education to find solutions to ongoing regulatory violations that my end up costing the PRDE over \$800,000 in penalties. Furthermore, he is actively seeking a way to stop the trend of returning unused education federal funds to the U.S. Treasury due to the PRDE's inability to comply with NCLB federal standards. Out of all jurisdictions within the entire U.S., the PRDE returns the most funds back to Washington annually. In the past two years alone, the PRDE has returned over \$35 million in federal funding.

Puerto Rico is the only jurisdiction in the nation not to participate in the Reading First Program, a key NCLB program designed to help K-3 students read. The Resident Commissioner is devoting his time to making sure the Puerto Rico complies with the established guidelines that will allow our children to benefit from this important program.

He is also working with local organizations to better understand the needs of our Special Education students whose plight has been ignored for years. A better understanding will eventually lead to better services and effective ways to address their educational needs.

## Fortuño outlines goals for public school children

One of the Resident Commissioner's top priorities is to ensure that the children of Puerto Rico receive the same quality public school education as their peers across the Nation. Seventy-three percent of our schoolchildren depend on the Puerto Rico Department of Education (PRDE) to get the skills and tools needed to succeed academically.

Unfortunately, according to data released by the Federal Department of Education, PRDE has failed to meet Federal expectations and is not adequately preparing our children. Between 2003 and 2005, fourth- and eighth-graders

were far below the national average. Hardly any students – less than 1 percent – reached the Proficient or Advanced levels of achievement.

Obviously, these results show that things not good enough, and new goals need to be set. As a member of the U.S. House Education and Labor Committee, Fortuño has highlighted time and again the importance of federal monitoring of the PRDE, and the necessity of establishing firm benchmarks to measure success. "I will continue to fight to ensure that our children have access to the best education possible", the Resident Commissioner stated.

## Fortuño Secures \$1 billion Investment in Telecommunications Infrastructure

As a result of the Resident Commissioner's lobbying efforts before the Federal Communications Commission (FCC) process for adoption of the sale of the Puerto Rico Telephone Company (PRTC) to Mobile America, the latter agreed to invest \$1 billion in capital improvements to promote the

development of communications services on the Island.

In his appearance before the FCC, Fortuño conditioned his support for the sale of the PRTC to the adoption by the FCC ensuring the rights of consumers to first-rate telecommunications service.



Fortuño and FCC Chairman Kevin Martin

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